

**INSTRUCTIONS FOR FILING
ESTIMATED TAX VOUCHERS****2015**

WHAT'S NEW FOR 2015—The standard deduction will increase to **\$2,440.00** for 2015. Individuals who electronically file their return will now have the option to have their estimated tax payment(s) debited from their bank account.

WHO MUST MAKE PAYMENTS—Individuals who can reasonably expect to have income of more than \$5,000 from which no Kentucky income tax will be withheld may be required to make estimated tax payments as required by KRS 141.300. Individuals who do not prepay at least 70 percent of their income tax liability for the year will be subject to a penalty for underpayment of estimated tax. The prepayments may be made through withholding, a credit forward from the previous year's income tax return or estimated tax payments. The worksheet on the reverse should be used to determine the amount which should be paid through estimated tax payments. **If the amount of estimated tax for the year is \$500 or less, no payment is required.**

WHEN TO PAY—Taxpayers may pay the full amount of estimated tax in one payment on the earliest applicable due date, or they may pay in installments. Installments for calendar year 2015 are due April 15, June 15, September 15, 2015, and January 15, 2016. Any credit from a 2014 income tax return should be applied to the amount owed before any payments are made. Installment payments should not be made until the amount of the credit has been used. A voucher should be filed only when a payment is required.

IF INCOME CHANGES—Due to changes in sources or amounts of income during the year, a taxpayer who is not required to pay estimated tax at the beginning of the year may be required to pay during the year. A taxpayer may also be required to recompute the estimated tax and to adjust the amount of the installments during the year as a result of changes in sources or amounts of income. Whenever the initial estimate is required or the change occurs, a taxpayer electing to pay in installments must pay the total amount of tax due in equal amounts on the remaining due dates.

Period When Estimate Required or Change Occurs	Due Date	Number of Equal Installments
January 1–April 1	April 15, 2015	4
April 2–June 1	June 15, 2015	3
June 2–September 1	September 15, 2015	2
September 2–December 31*	January 15, 2016	1

**If the change occurs after September 1, 2015, the voucher is not required if the 2015 Kentucky income tax return is filed and the tax shown to be due is paid on or before January 31, 2016.*

Failure to make required estimated installments by the specified dates may result in interest due.

FISCAL YEAR FILERS—If you pay tax for a fiscal year instead of a calendar year, your due date is the 15th day of the fourth, sixth and ninth months of your fiscal year and the 15th day of the first month of the following fiscal year.

FAMILY SIZE TAX CREDIT—The Family Size Tax Credit is based on modified gross income (MGI) and the size of the family. If your total MGI is \$31,721 or less you may qualify for Kentucky Family Size Tax Credit.

“Modified gross income” used to calculate the Family Size Tax Credit means the greater of:

Federal adjusted gross income adjusted to include interest income derived from municipal bonds (non-Kentucky) and lump-sum pension distributions not included in federal adjusted gross income;

or

Kentucky adjusted gross income adjusted to include lump-sum pension distributions not included in federal adjusted gross income.

PASS-THROUGH ENTITIES AND INDIVIDUAL OWNERS OF DISREGARDED SINGLE MEMBER LLCs—For taxable years beginning on or after January 1, 2007, all pass-through entities and individual owners of disregarded single member LLCs that file on Schedules C, E or F for federal income tax purposes will be treated the same for Kentucky income tax purposes as they are treated for federal income tax purposes except for the differences between Kentucky law and federal law. Individuals with income from pass-through entities or disregarded single member LLCs that file Schedule C, E or F for federal income tax purposes may be required to make individual estimated tax payments.

FARM INCOME—Taxpayers with income from farming are not required to make installment payments if they meet the following criteria: (1) two-thirds of gross income is from farming; and (2) the entire amount of estimated tax is paid on or before January 15, 2016; or (3) the 2015 income tax return is filed and total tax is paid on or before March 2, 2016.

PENALTY FOR UNDERPAYMENT—A penalty equal to 10 percent of any underpayment may be assessed. The underpayment is calculated by taking 70 percent of the amount on Form 740, Line 26 (income tax liability) and subtracting taxes prepaid through a credit forward, withholding, estimated tax payments and refundable credits. Minimum penalty is \$25.

HOW TO USE ESTIMATED TAX VOUCHERS—Enter your name, address and Social Security number(s) in the spaces provided. In the payment block, enter the amount of payment. Do not enter amounts paid through a credit from a previous year.

HOW TO PAY—Make check payable to **Kentucky State Treasurer**. Mail the check with the voucher to: **Kentucky Department of Revenue, Frankfort, KY 40620-0009**. To ensure accurate crediting to your account, you must send the voucher with your check. Please write your Social Security number(s) on the face of your check. If you wish to mail your first installment with Form 740, please prepare a separate check for the amount shown on the voucher and include the voucher marked “Installment 1.” If you file electronically you can now elect to have your estimated tax payments debited from your bank account; see Form 8879-K for additional information. You may authorize the Kentucky Department of Revenue to debit up to all four of your installments on the dates due. This option must be initiated at the time of filing.

Estimated Tax Worksheet (Keep for your records)

2015

1. Enter your total estimated wages subject to withholding	1		
2. Enter your total estimated taxable income from sources with no withholding.....	2		
3. Add lines 1 and 2.....	3		
4. Enter estimated adjustments to income.....	4		
5. Subtract line 4 from line 3. This is your ESTIMATED ADJUSTED GROSS INCOME	5		
6. Enter estimated allowable itemized deductions or the standard deduction of \$2,440.00	6		
7. Subtract line 6 from line 5. Enter the difference here. This is your ESTIMATED NET INCOME	7		
8. Compute tax on estimated net income from line 7 using the tax rate schedule below. ENTERTAX HERE.....	8		
a. If line 7 is \$3,000 or less, your tax is 2% of line 7.			
b. If line 7 is over \$3,000 but not over \$4,000, your tax is 3% of line 7, less \$30.			
c. If line 7 is over \$4,000 but not over \$5,000, your tax is 4% of line 7, less \$70.			
d. If line 7 is over \$5,000 but not over \$8,000, your tax is 5% of line 7, less \$120.			
e. If line 7 is over \$8,000 but not over \$75,000, your tax is 5.8% of line 7, less \$184.			
f. If line 7 is over \$75,000, your tax is 6% of line 7, less \$334.			
9. Enter your tax credits (\$10 for yourself and each dependent).....	9		
10. Enter Family Size Tax Credit using percentage from worksheet below	10		
11. Enter Kentucky income tax to be withheld in 2015. Add lines 9, 10 and 11 and enter total at right	11		
12. Subtract the total on line 11 from line 8. This is your Estimated Kentucky Income Tax for 2015. Enter here. If this amount is \$500 or less, estimated tax payment is not required	12		
13. Divide line 12 by 4. This is amount of each installment. Enter here and in Column B, lines 1 through 4 of Record of Estimated Tax Payments Schedule below	13		

Family Size Tax Credit (FSTC) is based on modified gross income (MGI) and the size of the family. Refer to page 1 for the definition of MGI. The 2014 table is provided for your convenience.

Family Size	One		Two		Three		Four or More		FSTC
	is over	is not over	is over	is not over	is over	is not over	is over	is not over	Percentage is
2014	\$ ---	\$11,670	\$ ---	\$15,730	\$ ---	\$19,790	\$ ---	\$23,850	100
	11,670	12,137	15,730	16,359	19,790	20,582	23,850	24,804	90
	12,137	12,604	16,359	16,988	20,582	21,373	24,804	25,758	80
	12,604	13,070	16,988	17,618	21,373	22,165	25,758	26,712	70
	13,070	13,537	17,618	18,247	22,165	22,956	26,712	27,666	60
	13,537	14,004	18,247	18,876	22,956	23,748	27,666	28,620	50
	14,004	14,471	18,876	19,505	23,748	24,540	28,620	29,574	40
	14,471	14,821	19,505	19,977	24,540	25,133	29,574	30,290	30
	14,821	15,171	19,977	20,449	25,133	25,727	30,290	31,005	20
	15,171	15,521	20,449	20,921	25,727	26,321	31,005	31,721	10
15,521	---	20,921	---	26,321	---	31,721	---	0	

These two schedules are for your records only and are **not** to be mailed to the Department of Revenue.

AMENDED COMPUTATION SCHEDULE	
<i>Use if your estimated tax substantially changes after you make your first payment.</i>	
1. Enter amended estimated tax	
2. Less:	
(a) Amount of 2014 overpayment credited to 2015 estimated tax.....	
(b) Payments made on 2015 estimated tax to date	
(c) Total of Lines 2(a) and 2(b).....	
3. Unpaid balance (line 1 less line 2(c))...	
4. Amount to be paid (line 3 divided by number of remaining installments less any unused 2014 overpayment credit). Enter here and in block on voucher.....	

RECORD OF ESTIMATED TAX PAYMENTS SCHEDULE				
Voucher Number	Col. A	Col. B	Col. C	Col. D
		Date	Amount from line 13 above.	2014 overpayment credit applied to installment. Subtract C from B.
1				
2				
3				
4				
Total				

*If zero or less, do not file a voucher. If amount credited exceeds amount of installment enter excess in Column C of the next line.